

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 7-3-56

FROM : SAC, WFO (65-6640)

SUBJECT: FRANK G. WISNER
MISCELLANEOUS INFORMATION CONCERNING
ESPIONAGE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1-31-86 BY SP4 [signature]

On [redacted]

[redacted] advised that he had learned about five or six years ago the following information from NICOLAE MALAXA, whose address is 1158 Fifth Avenue, New York City. He stated that MALAXA had told him, the informant, that a man named WISTLER (PH) or WISNER (PH), first name unknown, who was the "right hand man" of ALLEN DULLES at Central Intelligence Agency was a Russian spy. MALAXA told the informant that he had evidence that WISNER had a mistress in Austria who was a dangerous Soviet spy. Informant was unable to furnish the name of this mistress or any other details regarding the allegations. The informant advised that MALAXA's attorney is JACK WASSERMAN in New York City. Informant further stated that a man named AUSNIT (PH), first name unknown, had been making false allegations against him, MALAXA. Informant further advised that MALAXA is a Rumanian who has made millions of dollars in industry in Rumania and is a very wealthy industrialist. He further stated that MALAXA is having considerable trouble with the United States Immigration and Naturalization Service.

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On [redacted]

[redacted] advised former SA L. C. NULTY, then on the Investigative Staff of the Senate Appropriations Committee, that he [redacted] had received the following information from [redacted]

This information was made available to the Bureau and [redacted] was described as a [redacted]

[redacted] alleged that FRANK WISNER then Deputy Director, CIA, while stationed in Europe during World War II, lived with a woman who was a top Soviet agent in Budapest, Hungary. WISNER was reported to have been seen with this woman in Paris as late as six months ago.

② Bureau

1-New York (Info) (RM)

4-WFO

(1- [redacted])

(1-100-872860-Malaxa)

(1-100-18922-Malaxa)

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DIRECTOR, FBI

7-3-56

FRANK G. WISNER
MISCELLANEOUS INFORMATION CONCERNING
ESPIONAGE

black
mail

On [redacted] was interviewed and advised he had heard a rumor from [redacted] that he, [redacted], had been told by members of the "Free Rumanian Council" that WISNER had cohabitated with a woman from the Soviet Legation in Bucharest, Rumania, when WISNER was with the American Embassy there. [redacted] said WISNER had been seen in Paris, France, with this woman, date unknown, but presumably around the time he was in Bucharest. [redacted] also said that WISNER was then being blackmailed by two Rumanians who had knowledge of WISNER's affair with this woman.

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On October 17, 1952, PAUL CROUCH advised that on the same date WALTER STEELE, Editor of "National Republic" magazine had made available anonymous letter which STEELE had received. Contents of this letter as furnished by CROUCH read as follows: "FRANK WIESNER, Intelligence Service in Washington, D. C., was in Bucharest in 1944. His girlfriend was CARAGEALE (last name) who was discovered in American Zone in Vienna to be a Russian spy. He acknowledged the relationship saying she was a spy. WIESNER is in contact with the National Rumanian Committee constantly ^{AND HE MANAGES} endeavors to prevent or restrain the entrance of Rumanians who are not in sympathy with the committee. WIESNER was and is a bitter enemy to MALAXA."

CONSTANTINE WISOIANU, President of the Rumanian National Committee advised that he is quite well acquainted with FRANK WISNER whom he met in Rumania during World War II. He also advised that WISNER was ^{subsequently} employed in Washington, D. C. by the Department of State and Central Intelligence Agency. WISNER was in contact with WISOIANU and other members of the Rumanian National Committee on a number of occasions and WISOIANU spoke highly of WISNER. It appears that the subject of the anonymous letter mentioned above is identical with FRANK G. WISNER who was Assistant Director, Office of Policy Coordination, Central Intelligence Agency in 1953.

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ESPIONAGE

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It also appears that the individual MALAXA was talking about is probably FRANK G. WISNER. The above information, obtained from [redacted] and PAUL CROUCH, has been furnished by the Bureau in other communications.

The files of this office contain an extensive investigation concerning NICOLAE MALAXA with aliases IS-R and RU Bureau file 100-344488 and New York file 100-87286. The files reflect that EDGAR AUSNIT and MAX AUSNIT, both of New York City, have furnished considerable information regarding MALAXA. *WV*

New York air-tel dated 1-19-56 to the Director and WFO contained information that INS was proceeding against MALAXA to cancel a re-entry permit issued on the basis of allegation of fraud in obtaining a United States ^{entry} Visa in Canada. on 9-26-53.

The "New York Daily Mirror" on February 25, 1948, carried a column of WALTER WINCHELL's which furnished considerable information concerning MALAXA. He described MALAXA as a Rumanian industrialist who was very friendly to the German Nazis prior to and during World War II. The column stated that in August 1944, Rumania was liberated and MALAXA then offered his service to Moscow. He subsequently received the complete confidence of the Communists along with a huge sum of money for a factory of MALAXA's that had been dismantled.

In October, 1949, the Department of Justice ruled that MALAXA was under no obligation to register with the department under the FARA.

New York air-tel on MALAXA dated 10-18-55 pointed out that MALAXA was under attack by Representative FRANCIS E. WALTERS of the House of Representatives who is also Chairman of HCUA.

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A review on the file of MALAXA reveals that he is a former Rumanian industrialist on whom this Bureau has received numerous complaints and allegations concerning his associations and his activities. He appears to be a very controversial figure and, in view of the fact that INS is ^{proceeding} against him, it is our belief that he should ^{not} be interviewed for information concerning FRANK G. WISNER. It appears that the information he has is probably identical with other information this office has previously received and furnished to the Bureau. In view of the above, no further action is being taken by this office.

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont *7-16-56*
 FROM : W. A. Branigan *WAB*
 Ticklers: Mr. Belmont
 Mr. Branigan
 Mr. Callahan

DATE: July 13, 1956

SUBJECT: FRANK G. WISNER
 MISCELLANEOUS - INFORMATION CONCERNING
 (ESPIONAGE)

Tolson _____
 Nichols _____
 Boardman _____
 Belmont _____
 Mason _____
 Mohr _____
 Parsons _____
 Rosen _____
 Tamm _____
 Nease _____
 Winterrowd _____
 Tele. Room _____
 Holloman _____
 Gandy _____

On 7-3-56, WFO reported receiving information from [redacted] the information being dated five or six years ago and attributed to Nicolae Malaxa of NYC. Malaxa reportedly told the informant that a man named Wistler (PH) or Wisner (PH), the right-hand man of Allen Dulles of CIA, was a Russian spy; that Wisner had a mistress in Austria who was a dangerous Soviet spy. WFO referred to other material of a similar nature in its files previously furnished the Bureau and expressed the belief that the individual referred to by [redacted] was Frank G. Wisner, Deputy Director, CIA.

A comparable but slightly varied allegation which charges that Wisner had a mistress in Rumania who was a Soviet agent has been received numerous times during the past several years but has never been substantiated. Wisner, in his CIA capacity, has had frequent contact with Rumanian anticommunist emigre factions in the U.S. and Europe, which factions spend most of their time fighting each other and vying for favorite spots in the eyes of U.S. intelligence agencies which can supply them with money. In this position, Wisner has made many enemies, among whom is Malaxa, a prominent and wealthy former Rumanian industrialist who has been in the U.S. for many years, is involved in emigre politics and is currently involved with INS in deportation proceedings. Wisner, a former N.Y. lawyer, served with OSS in Rumania and has been with CIA since its inception. His name regularly comes up in connection with a long-standing feud between Malaxa and the Ausnit brothers (Max and Edgar), the latter also former Rumanian industrialists and business competitors of Malaxa. Years ago, Wisner acted as a lawyer for the Ausnits and apparently incurred the enmity of Malaxa to whom this rumor concerning Wisner and his alleged Rumanian girl friend is repeatedly traced.

We have referred this allegation to the Directors, past and present, of CIA on several occasions. Wisner has denied the allegation and CIA is satisfied that the story is a fabrication designed to discredit Wisner. There appears to be little point in bringing the matter in its present form to the attention of CIA again, since, in CIA's view, it has been completely resolved.

ACTION: None ^{F25} The above is for your information.

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